

LINCOLN PAPER AND TISSUE CO., INC.)	DEPARTMENTAL
PENOBSCOT COUNTY)	FINDING OF FACT AND ORDER
LINCOLN, MAINE)	AIR EMISSIONS LICENSE
A-177-77-1-M)	NEW SOURCE REVIEW #1

After review of the air emissions license application, staff investigation reports and other documents in the applicant's file in the Bureau of Air Quality, pursuant to 38 M.R.S.A., Sections 344, 587 and 590, the Department finds the following facts:

I. REGISTRATION

A. Introduction

FACILITY	Lincoln Paper and Tissue (LPT)
PART 70 LICENSE NUMBER	A-177-70-A-I
LICENSE TYPE	Chapter 115 Minor Revision
NAICS CODES	322121
NATURE OF BUSINESS	Pulp and Paper Mill
FACILITY LOCATION	Lincoln, Maine
PART 70 LICENSE ISSUANCE DATE	October 22, 2002
NSR AMENDMENT ISSUANCE DATE	December 18, 2006
PART 70 LICENSE EXPIRATION DATE	October 22, 2007

Lincoln Paper and Tissue Company, Inc. (LPT) operates a fully integrated pulp and paper mill in Lincoln, Maine. A Part 70 Air Emission License # A-177-70-A-I was issued on October 22, 2002 permitting the operation of emission sources at the mill. On May 20, 2004, the Part 70 Air license and pending applications were transferred to LPT by Department Order.

This minor revision addresses the installation of a turbine generator to replace the one that failed in 2005. Also, LPT would like to clarify that the #2 Recovery Boiler can combust on and off specification waste oil and allow LPT to undertake a project on #8 Power Boiler to increase the generated steam

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temperature from 650°F to 750°F. LPT's current Part 70 operating Air Emission License does not need to be revised since none of the aforementioned requests are in the Conditions of the Part 70 air license.

B. Application Classification

LPT's application was submitted pursuant to the minor revision procedures in Chapter 115. The application for LPT does not violate any applicable federal or state requirements and does not reduce monitoring, reporting, testing or record keeping. This amendment will not increase emissions of any pollutant. Therefore, this modification is determined to be a minor revision and has been processed as such. This application seeks to add a turbine generator and increase #8 Boiler's generated steam temperature from 650°F to 750°F. The requests were contemplated in the original 1991 PSD/NSR licensing and the current Part 70 operating Air Emission License has also accounted for these emissions.

II. DESCRIPTION OF MINOR REVISION

A. Turbine Generator Replacement

LPT has operated two steam turbine generators, however, one of the turbines failed beyond repair in May of 2005. LPT has proposed to install a turbine generator at the mill to replace the failed one. A portion of the steam from the mill's licensed steam generating units is supplied to the turbines to generate electricity for the mill. The turbines do not produce any emissions.

LPT plans to install a 13.5 MW capacity steam turbine generator in place of the failed turbine to continue to supply a portion of the mill's electrical demand. Like the existing turbine, the new turbine will not be an emissions unit. Further, the new turbine will not result in an increase of licensed facility emissions. Although the new turbine generator is larger than the existing turbine and therefore uses more steam, the mill intends to implement energy conservation measures that will minimize any increased steam usage by the new turbine generator.

The potential for a net emissions increase in overall facility emissions would be due solely to increase steam generation from LPT's licensed steam generating units. LPT originally intended to generate additional electricity when #8 Boiler was installed. This was identified in the original PSD application for the #8 Boiler and therefore was previously considered during PSD review as part of the PSD air license process for #8 Boiler. As described in the finding of fact section of LPT's current Part 70 air

license, the PSD license for the #8 Boiler was written to accommodate the mill's ability to maximize production and utilization of #8 Boiler with projects such as this one. Power Boiler #8 is equipped with air pollution control equipment, including a mechanical dust collector and an electrostatic precipitator along with operating CEMs for NOx, Opacity, and O2, which meets Best Available Control Technology for this unit.

This project will not constitute a modification to any of the steam generating units. Through a letter dated August 6, 2001 from EPA to the Minnesota Pollution Control Agency, it was determined that steam turbines are not viewed as part of the boiler emission unit. Also, LPT's steam generating units will not exceed their PSD-permitted emission levels. Any potential net emissions increase would not be considered in a netting calculation because the mill's steam generating units' emissions have already been PSD licensed, which included modeling at the maximum permitted levels demonstrating compliance with ambient air quality standards and increments.

B. Clarification to burn on and off specification waste oil in #2 Recovery Boiler

LPT has requested to clarify that the Recovery Boiler #2 can combust on and off specification waste oil, as is allowed in the other power boilers and lime kiln. The initial Part 70 license inadvertently didn't include on and off specification waste oil as a fuel combusted in the Recovery Boiler. This is considered an editorial oversight and LPT can burn on and off specification waste oil in the #2 Recovery Boiler. The waste oil must meet the Bureau of Air Quality's waste oil guidance effective March 11, 1994.

C. Changes to #8 Biomass Boiler

LPT has requested to make changes to the #8 biomass boiler to increase the generated steam temperature from 650°F to 750°F. LPT is planning to add additional surface area in the superheater tube section of the boiler to increase heat transfer thereby raising the temperature of the produced steam to 750°F. This project was contemplated in the 1991 PSD/NSR licensing of this boiler and will not increase the rated heat input capacity of the boiler. In addition, there will not be any increases to current licensed limits or any increase of net emissions from the boiler. Ambient Air Quality modeling, done as part of the 1991 air licensing process, was conducted assuming stack temperatures at levels resulting from operating the boiler to steam output temperatures of 750°F. Based on the information provided, the Department approves of LPT's requested changes to #8 Boiler.

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ORDER

Based on the above Findings and subject to conditions listed below the Department concludes that the emissions from this source:

- will receive Best Practical Treatment,
- will not violate applicable emission standards, and
- will not violate applicable ambient air quality standards, or increment standards either alone or in conjunction with emissions from other sources.

The Department hereby grants this minor revision, A-177-77-1-M, subject to the conditions found in Air Emission License A-62-70-A-I and subsequent amendments, in addition to the following conditions:

NEW CONDITONS

The following conditions are new to Air Emissions License, A-177-70-A-I.

- (1) LPT is subject to the following New Source Review Chapter 115 conditions.
- LPT can install a 13.5 MW capacity steam turbine generator in place of the failed turbine to continue to supply a portion of the mill's electrical demand.
 - LPT can burn on and off specification waste oil in the #2 Recovery Boiler.
 - LPT has requested to make changes to the #8 biomass boiler to increase the generated steam temperature from 650°F to 750°F.

DONE AND DATED IN AUGUSTA, MAINE THIS DAY OF 2006.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

BY: _____
DAVID P. LITTEL, COMMISSIONER

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES

Date of initial receipt of application: October 27, 2006

Date of application acceptance: October 27, 2006

Date filed with Board of Environmental Protection: _____

This Order prepared by Edwin Cousins, Bureau of Air Quality

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